

**STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097**

RODNEY K. HARAGA  
DIRECTOR

Deputy Directors  
FRANCIS PAUL KEENO  
BARRY FUKUNAGA  
BRENNON T. MORIOKA  
BRIAN H. SEKIGUCHI

IN REPLY REFER TO:

Board of Land and  
Natural Resources  
State of Hawaii  
Honolulu, Hawaii

CONSENT TO SUBLEASE RETAIL CONCESSION  
DFS GROUP L.P. TO SHAKANET, INC.  
KAHULUI AIRPORT

MAUI

The Department of Transportation (DOT) is seeking the Board's consent for a sublease between the concessionaire under the Retail Concession Lease at Kahului Airport and SHAKANET, INC.

PURPOSE:

To sublease a portion of the concession premises.

LEGAL REFERENCE:

Chapters 102 and 171, Hawaii Revised Statutes, as amended.

LESSEE/SUBLESSOR (APPLICANT):

DFS Group, L.P.

SUBLESSEE:

SHAKANET, INC.

LOCATION AND TAX MAP KEY:

Kahului Airport, Terminal Complex, 2nd Division, 3-8-001-019, Kahului Airport, Island of Maui, Hawaii.

BLNR – Consent to Sublease  
Retail Concession, OGG  
DFS GROUP, L.P. to SHAKANET, INC.

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ZONING:

State: Urban  
County: Industrial (I-2)

LAND TITLE STATUS:

Section 5(a), Hawaii Admissions Act  
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES\_\_ NO X

CONCESSION AGREEMENT TERM AND PREMISES:

Concession Agreement No. DOT-A-06-0007 for the Retail Concession at Kahului Airport will begin on September 1, 2006, and continue through August 31, 2011.

Area is comprised of the following:

Building 321, Space No. 108A  
Building 330, Space Nos. 201, 202, 204, 205, 206, and 207B  
Building 340, Space Nos. 101 and 106A

SUBLEASE TERM AND AREA:

Term commences on September 1, 2006, and continues through the end of the Concession Agreement term.

Premises is a portion of the Retail Concession Premises as listed above.

USE:

Sale and delivery of wired and wireless internet access to air travelers, passengers, and visitors at and customers and users of Kahului Airport.

CONCESSION FEE:

Through the end of the Concession Agreement term of August 31, 2011, the fee shall be the greater of the minimum annual guarantee of \$2.5 million or 20% of gross receipts.

SUBLEASE FEE:

The sublease fee that SHAKANET, INC. will be required to pay is the will be 20% of the gross sales, paid on a monthly basis.

IMPROVEMENTS:

Under the Retail Concession the Lessee is required to make a minimum investment for all sales spaces of \$500,000. The space to be occupied by SHAKANET, INC. under the sublease is part of this requirement.

REMARKS:

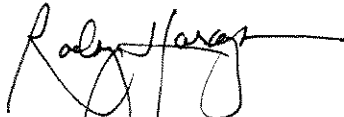
The Retail Concession at Kahului Airport provides the master retail concessionaire the option to subcontract with other vendors to expand the product and service mix beyond what the concessionaire itself might be able to offer.

The DOT has reviewed the sublease fee and determined that the sublessee's obligations are reasonable with no excess sandwich profit to be gained by the Applicant (lessee/sublessor).

RECOMMENDATION:

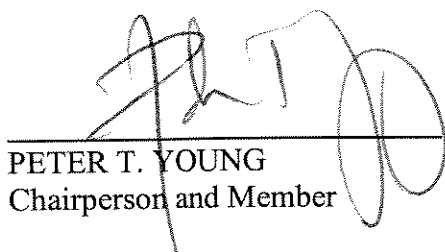
That the Board authorize the DOT to consent to the sublease as hereinabove outlined and to grant a Consent to Sublease so that the DOT may proceed to process the consent to allow the sublease to be consummated, subject to the review and approval of the Department of the Attorney General.

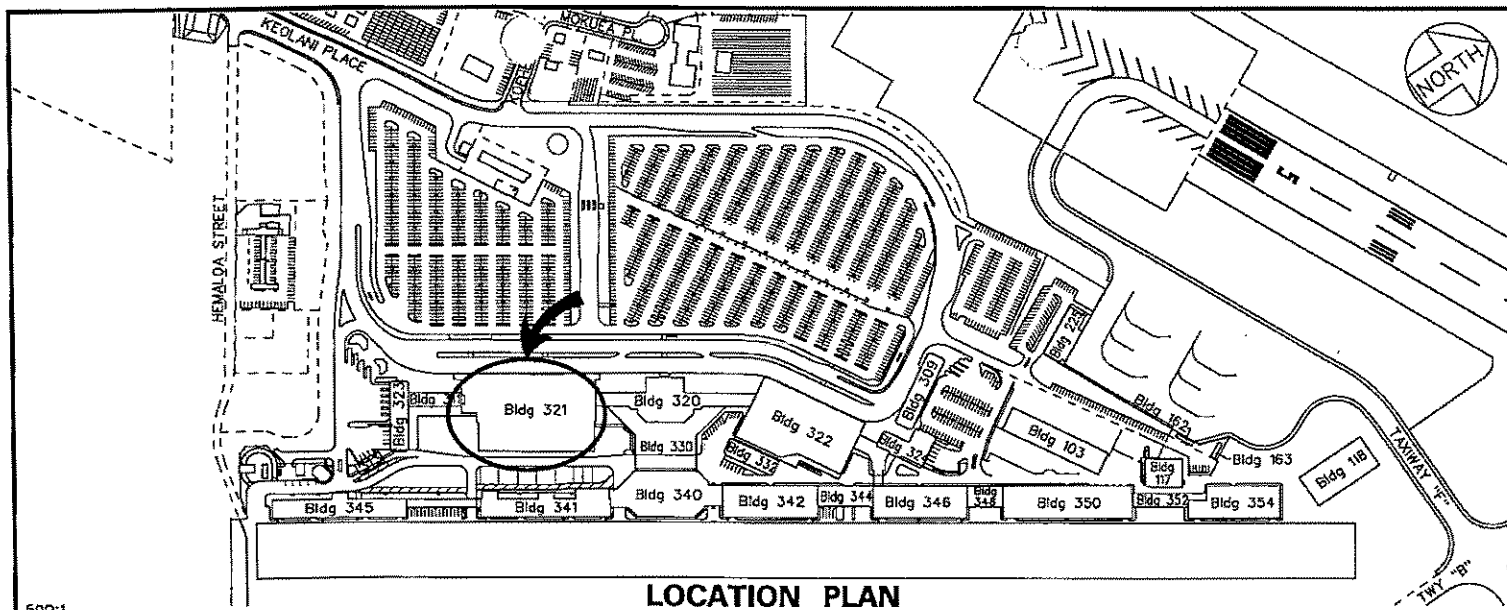
Respectfully submitted,



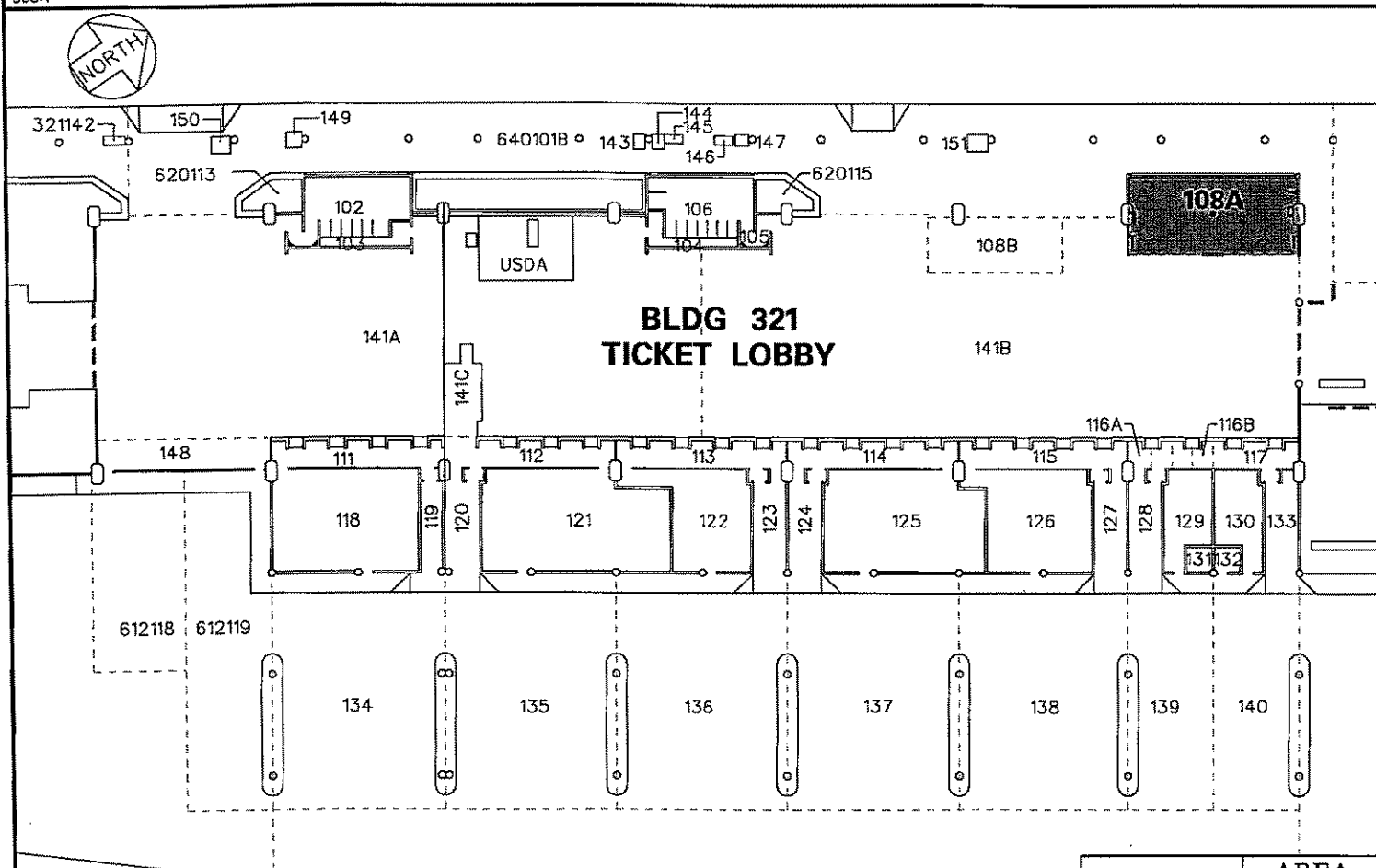
RODNEY K. HARAGA  
Director of Transportation

APPROVED FOR SUBMITTAL:

  
PETER T. YOUNG  
Chairperson and Member



500-1



SCALE: 1"=50'

600103B

SPACE NO.	AREA SQ. FT.
321 108A	1,142

DATE: OCTOBER 2005

EXHIBIT: **B**



Airports Division

RETAIL CONCESSION

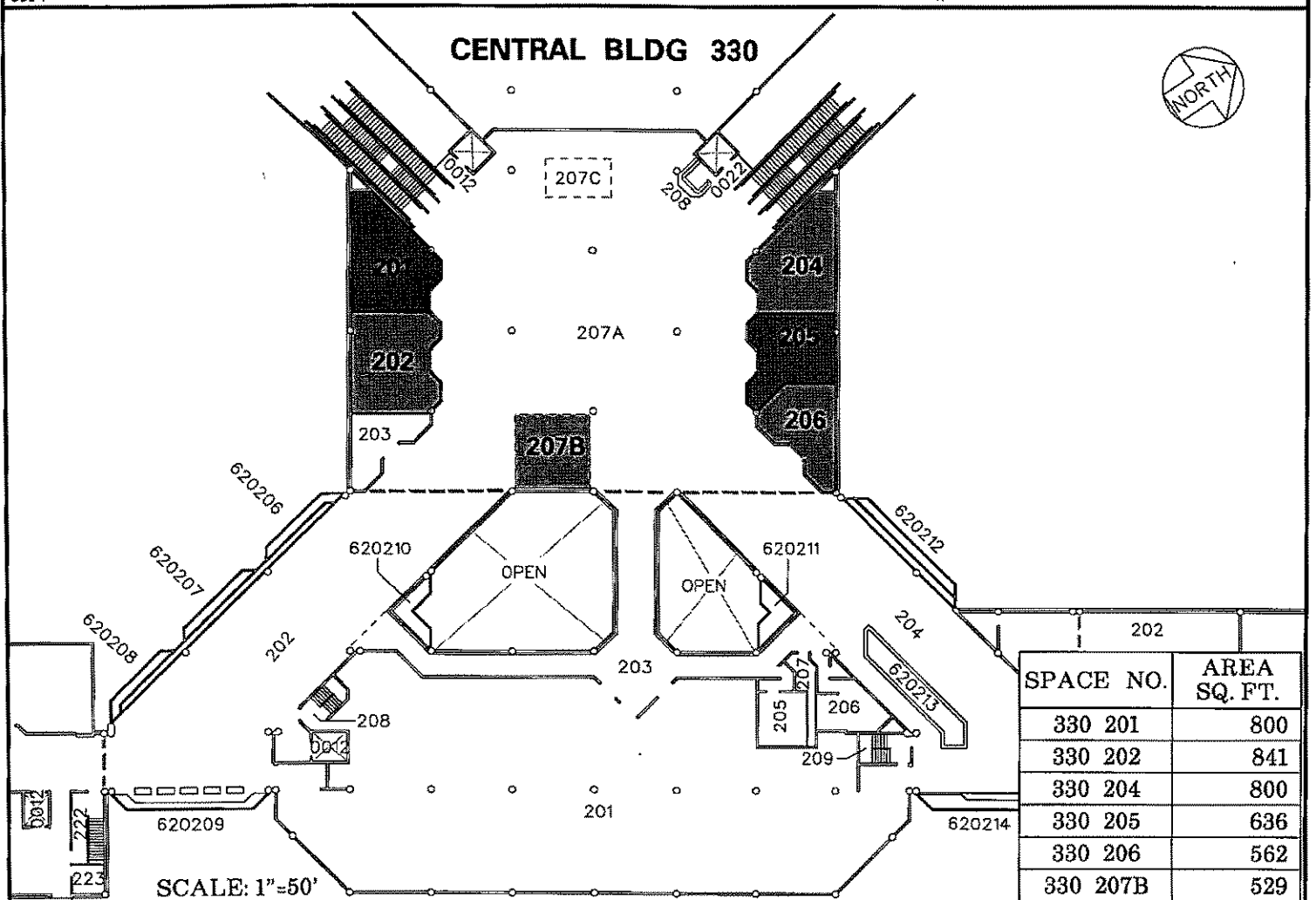
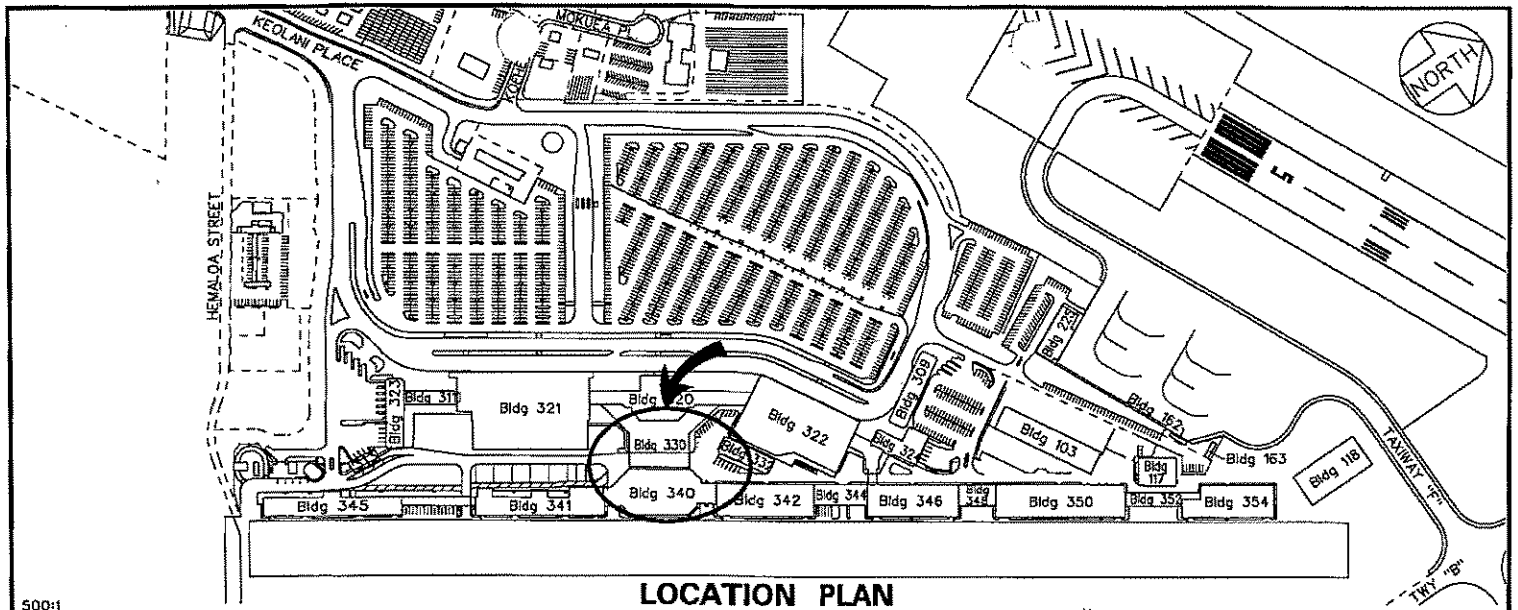
**BLDG 321**  
TERMINAL BUILDING  
GROUND LEVEL

**321-108A**

PLATS A1, 35

**KAHULUI AIRPORT**

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DATE: OCTOBER 2005

EXHIBIT: **C**



Airports Division

RETAIL CONCESSION

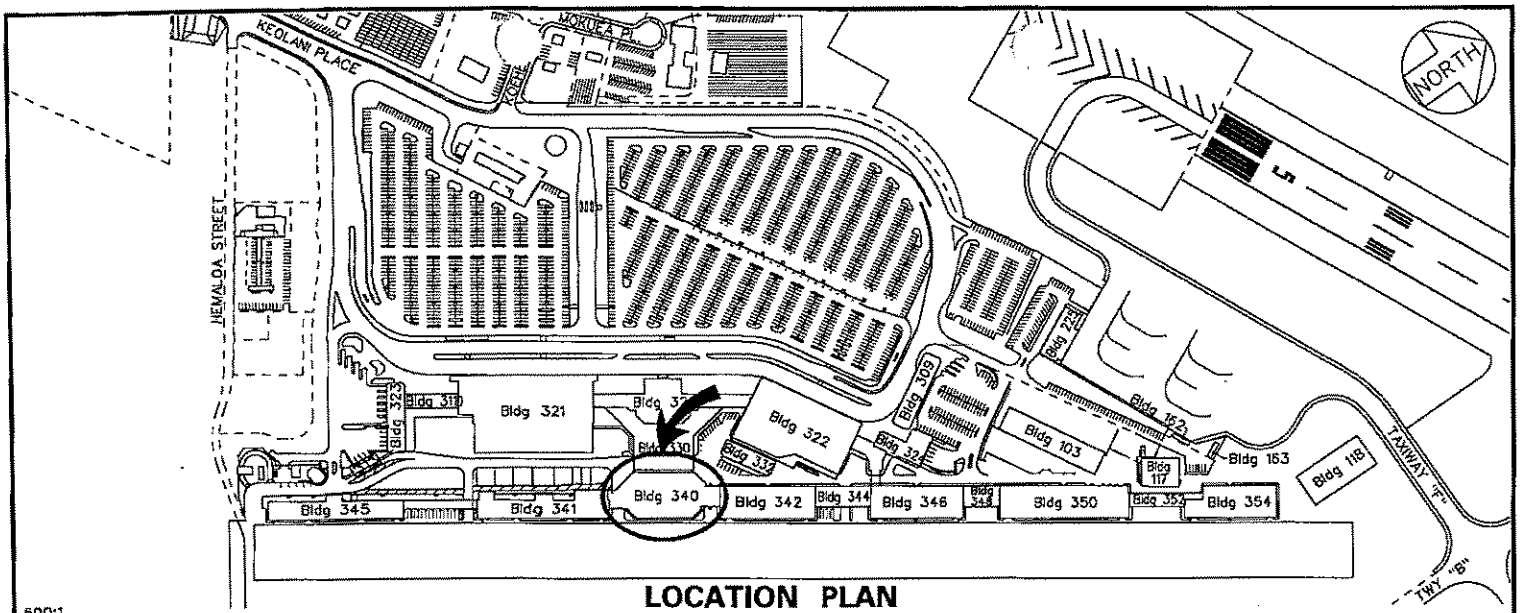
BLDG 330  
TERMINAL BUILDING  
SECOND LEVEL

330-201

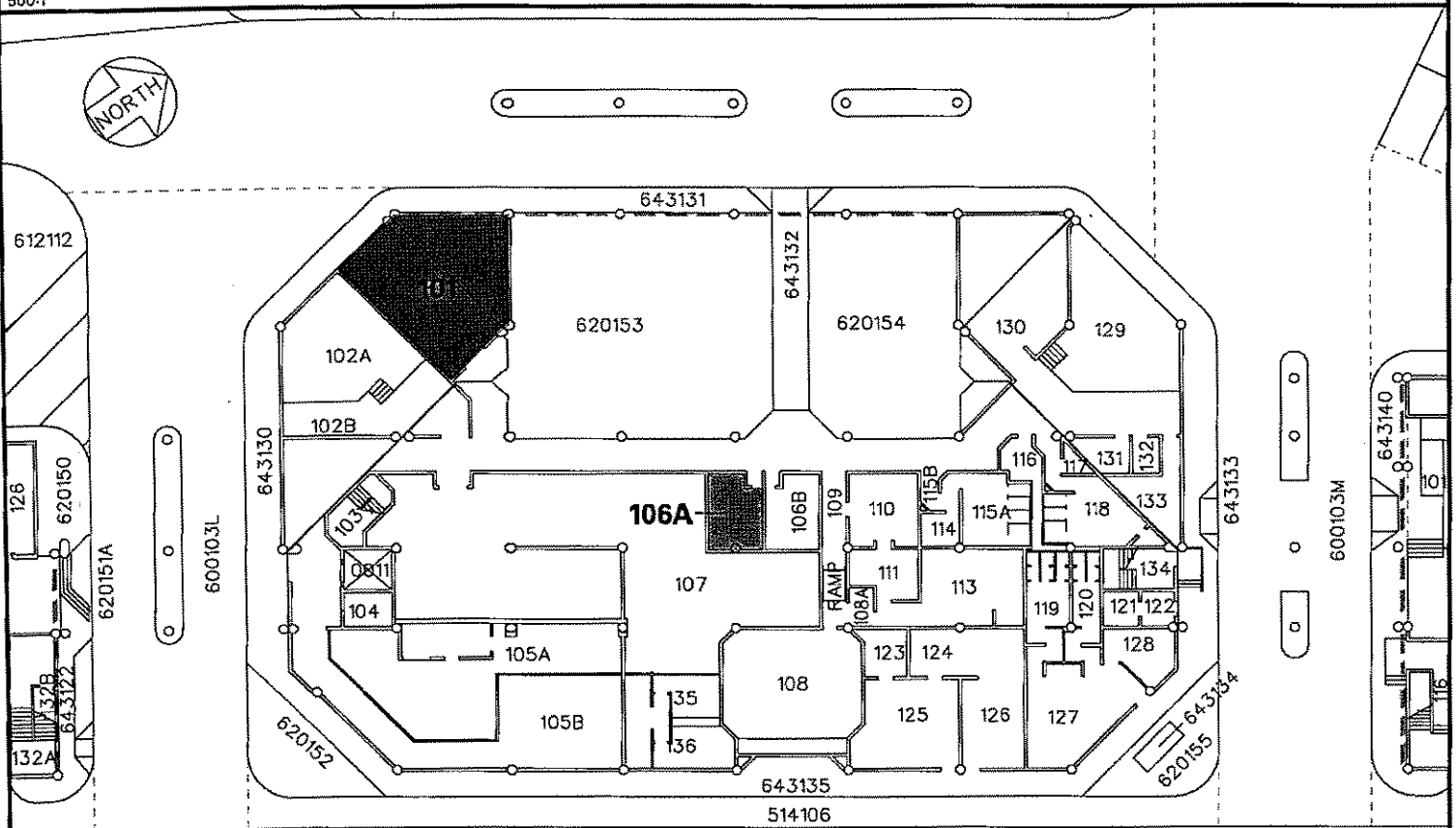
PLATS A2, 35

**KAHULUI AIRPORT**

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500:1




SCALE: 1"=40'

SPACE NO.	AREA SQ. FT.
340 101	942
340 106A	210

DATE: OCTOBER 2005

EXHIBIT: **D**

 <p><b>Airports Division</b></p>	<p><b>RETAIL CONCESSION</b></p>	<p><b>BLDG 340</b> <b>TERMINAL BUILDING</b> <b>GROUND LEVEL</b></p>	<p><b>340-101,</b> <b>340-106A</b> <b>PLATS A1,35</b></p>
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**KAHULUI AIRPORT**

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